

From: Andrew L. Foscett [afoscett@mckillican.com]
Sent: Wednesday, February 04, 2009 6:16 PM
To: _Regulatory Comments
Subject: Andrew Foscett - Comments on Advanced Notice of Proposed Rulemaking for Part 704

Thank you to the NCUA board for prompt, decisive action to preserve the credit union system. I recognize the action necessary, but it is painful. The anticipated accounting scheme may be more painful than necessary, because it impacts our balance sheet more than it may need to.

One alternative would be to transfer premiums from reserves instead of through the balance sheet. This would have less negative effect on our ROA, and wouldn't effect our net earnings.

Another alternative would be to spread out the assessment over two or more years. This would allow credit unions to pay over time.

A less attractive but potentially still viable option would be to spread out the assessment for the balance sheet, but require credit unions to pre-pay the entire assessment at the September date.

Another option would be to make the write down portion a loan.
Thank you for your time and consideration.

Andrew L. Foscett

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